



December 13, 2018

Mr. Craig R. Jalbert, CIRA
Verdolino & Lowey, P.C.
124 Washington Street, Suite 101
Foxboro, MA 02035

UPS 2nd Day Air
#: 1Z A87 964 02 9876 7473

RE: **Final Program Review Determination**
Heald College – Salinas
OPE ID: 00723409
PRCN: 201330928310

Dear Mr. Jalbert:

The U.S. Department of Education's (Department's) San Francisco/Seattle School Participation Division issued a Program Review Report (PRR) on December 28, 2015, covering Heald College – Salinas' (Heald's) administration of the programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 *et seq.* (Title IV, HEA programs), for the 2011-12 and 2012-13 award years.

Heald failed to respond to the PRR. Nevertheless, the Department has made final determinations based on information obtained during and after the program review. This Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and may be provided to other oversight entities after this FPRD is issued.

Purpose:

Final determinations have been made concerning all of the outstanding findings of the PRR. The purpose of this letter is to: 1) identify liabilities resulting from the findings of the PRR; and 2) notify the institution of its right to appeal.

The total liabilities due from the institution as a result of this program review are **\$43,402,512.00**. This FPRD contains detailed information about the liability determination for all findings.

Protection of Personally Identifiable Information (PII):

PII is any information about an individual that can be used to distinguish or trace an individual's identity (e.g., name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the findings in the attached report do not contain any student PII. Instead, each finding references students only by a student number

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created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample. Appendices A, C1, and D of this FPRD contain PII. Please contact Jessica Finkel to provide a current e-mail address so that the Department may e-mail the appendices as encrypted WinZip files.

Appeal Procedures:

If Heald elects to appeal to the Secretary of Education for a review of the financial liabilities established by this FPRD, the institution must file a written request for a hearing. Please note that institutions may appeal financial liabilities only. The Department must receive Heald's request no later than **45 calendar days** from the date Heald receives this FPRD. **The Department requests that Heald submit an original and four copies of its complete request for review.** The request for an appeal must be sent to:

Attn: Susan Crim, Director
Administrative Actions and Appeals Service Group
U.S. Department of Education
Federal Student Aid/Enforcement
830 First Street, NE, UCP3, Room 84F2
Washington, DC 20002-8019

Heald's appeal request must:

- (1) indicate the findings, issues and facts being disputed;
- (2) state the institution's position, together with pertinent facts and reasons supporting its position; and
- (3) include a copy of the FPRD received by the school.

When it submits its request for appeal, the institution may also include documentation it believes the Department should consider in support of the appeal.

If any appeal documents include PII, the PII must be redacted, except for the student's name and the last four digits of the student's social security number. Please see the enclosed document, "Protection of Personally Identifiable Information," for instructions on how to mail records containing PII.

If an institution's appeal is timely, the request for appeal will be transmitted to the Department's Office of Hearings and Appeals (OHA) for an administrative hearing in accordance with § 487(b)(2) of the HEA, 20 U.S.C. § 1094(b)(2). The Hearing Official assigned to the case will issue an order scheduling the submission of briefs and supporting evidence in accordance with 34 C.F.R. § 668.114(c). The institution may therefore submit additional documentation supporting its appeal request at that time. The procedures followed with respect to Heald's appeal are those provided in 34 C.F.R. Part 668, Subpart H. Interest on the appealed liabilities will continue to accrue at the applicable value of funds rate, as established by the United States

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Department of Treasury, or if the liabilities are for refunds, at the interest rate set forth in the loan promissory note(s).

Record Retention:

Program records relating to the period covered by the program review must be retained until the later of: the resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. § 668.24(e)(1), (e)(2), and (e)(3).

If the institution has any questions regarding this letter, please contact Jessica Finkel, Institutional Review Specialist, at 415-486-5405. Please direct any questions relating to the appeal of the FPRD to the address noted in the Appeal Procedures section of this letter.

Sincerely,



Martina Fernandez-Rosario
Division Director
San Francisco/Seattle School Participation Division

Enclosures: Protection of Personally Identifiable Information
Final Program Review Determination

cc: Western Association of Schools and Colleges – Senior College and University
Commission
California Bureau for Private Postsecondary Education
Department of Defense (via e-mail at osd.pentagon.ousd-p-r.mbx.vol-edu-compliance@mail.mil)
Department of Veterans Affairs (via e-mail at INCOMING.VBAVACO@va.gov)
Consumer Financial Protection Bureau (via e-mail at CFPB_ENF_Students@cfpb.gov)

PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION

Personally Identifiable Information (PII) being submitted to the Department must be protected. PII is any information about an individual that can be used to distinguish or trace an individual's identity (e.g., name, social security number, date and place of birth).

PII being submitted electronically must be encrypted. The data must be submitted in a .zip file encrypted with Advanced Encryption Standard (AES) encryption (256-bit is preferred). The Department uses WinZip, however, files created with other encryption software are also acceptable, provided that they are compatible with WinZip (Version 9.0) and are encrypted with AES encryption. Zipped files using Win Zip must be saved as Legacy compression (Zip 2.0 compatible).

The Department must receive an access password to view the encrypted information. The password must be e-mailed separately from the encrypted data. The password must be 12 characters in length and use three of the following: upper case letter, lower case letter, number, special character. A manifest must be included with the e-mail that lists the types of files being sent (a copy of the manifest must be retained by the sender).

Hard copy and electronic files containing PII must be:

- sent via a shipping method that can be tracked with signature required upon delivery
- double packaged in packaging that is approved by the shipping agent (FedEx, DHL, UPS, USPS)
- labeled with both the "To" and "From" addresses on both the inner and outer packages
- identified by a manifest included in the inner package that lists the types of files in the shipment (a copy of the manifest must be retained by the sender).

PII data cannot be sent via fax.

Prepared for
Heald College – Salinas

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OPE ID: 00723409 (formerly 03034000)
PRCN: 201330928310

Prepared by
U.S. Department of Education
Federal Student Aid
San Francisco/Seattle School Participation Division

Final Program Review Determination
December 13, 2018

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A. Institutional Information

Heald College
1450 North Main Street
Salinas, CA 93906-5100

Type: Proprietary

Highest Level of Offering: Associate's Degree

Accrediting Agency: Western Association of Schools and Colleges – Senior College and
University Commission

Student Enrollment: 1,961 (2013-14)

Percentage of Students Receiving Title IV: 86.13% (2013-14)

Title IV Participation (as reported by Heald):

	2012-13 Award Year
Federal Pell Grant (Pell Grant) Program	\$ 5,463,720
William D. Ford Federal Direct Loan (Direct Loan) Program	\$ 11,329,892
TOTAL	\$ 16,793,612

Default Rate Direct Loans:	2011 (3 yr. rate)	5.2%
	2010 (2 yr. rate)	9.8%
	2009 (2 yr. rate)	10.4%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Heald College (Heald) in Salinas, CA from June 24, 2013 through June 29, 2013. The review was conducted by Donna Wittman and Tracy Simmonds, Institutional Review Specialists.

The focus of the review was to determine Heald's compliance with the statutes and federal regulations as they pertain to the institution's administration of the programs authorized under Title IV of the Higher Education Act of 1965, as amended (Title IV, HEA programs). In particular, the review centered on Heald's fiscal responsibility and online education delivery system. The review consisted of an examination of Heald's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records.

The Department reviewed 39 total student files from the 2011-12 and 2012-13 award years. The Department selected 30 of these files randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year (Student #s 1–30). The Department selected nine additional files in relation to Finding #1 (Student #s 31–39). Appendix A identifies the students whose files the reviewers examined.

The school closed on April 27, 2015 when its parent company, Corinthian Colleges, Inc. (CCI), ceased operations at all of its schools. Subsequently, on May 4, 2015, CCI filed a petition for bankruptcy, seeking relief under Chapter 11 of the United States Bankruptcy Code. The Department issued its Program Review Report (PRR) on December 28, 2015. Neither Heald nor its parent company, CCI, submitted a response to the PRR.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning Heald's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, the review does not relieve Heald of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

C. Final Determinations

Closed Findings

Heald closed on April 27, 2015 and did not respond to the PRR. Therefore, as a result of Heald's failure to respond, the findings identified below are sustained. However, the Department has decided not to pursue further action on these findings including the establishment of liabilities owed to the Department. As such, these finding are considered closed for the purposes of this program review and no further action is required. Please see Appendix B for the details associated with each of these findings.

- Finding #2. No Notice to Student of Title IV Funds Returned to Direct Loan Account
- Finding #3. Required Documentation in Files is Missing
- Finding #4. Subsidized Direct Loan Awarded and Disbursed in Excess of Aggregate Loan Limits
- Finding #5. Late Payment of Credit Balances
- Finding #6. Drug and Alcohol Abuse Prevention Program Requirements Not Met
- Finding #7. Crime Awareness Requirements Not Met – Omission/Inadequacy of Required Statistical Disclosures and Policy Statements
- Finding #8. Consumer Information Requirements Not Met
- Finding #9. No Documentation of Exit Counseling Provided to Students

Note: With respect to Finding #4, Student #11's record in the National Student Loan Data System (NSLDS), as of September 2018, indicates that the \$2,431 overpayment in question has been cancelled. Therefore, the Department has not established liabilities for the original loan overpayment in this FPRD.

Finding with Established Liabilities

Heald failed to provide a response to the PRR. As a result, the Department's final determination for the finding below is based on information obtained during the program review and from the Department's electronic systems. A copy of the PRR issued on December 28, 2015 is attached as Appendix B.

Section E of this FPRD contains tables summarizing all of the liabilities identified in this report. The Department has removed duplicated liabilities in the "Established Liabilities" table in that section.

In general, the Department establishes a liability based on the principal amount of Title IV, HEA program funds that an institution improperly disbursed and an associated Cost of Funds (COF) on the use of that principal amount.

Finding #1. Breach of Fiduciary Duty: Falsification of Attendance and Grade Records/Inconsistent Attendance Records

Summary of Noncompliance: A participating institution acts in the nature of a fiduciary in the administration of the Title IV, HEA programs. To participate in any Title IV, HEA program, the institution must at all times act with the competency and integrity necessary to qualify as a fiduciary. 34 C.F.R. § 668.82(a). In the capacity of a fiduciary, a participating institution is subject to the highest standard of care and diligence in administering the programs and in accounting to the Secretary for the funds received under those programs. 34 C.F.R. § 668.82(b)(1).

Prior to the site visit, the program review team spoke with the Director of the Student Financial Aid Audit/Compliance Department for CCI, the parent company of Heald. She indicated that all

attendance and grade entries and changes were maintained in CampusVue, a campus management software system. Under this system, and in accordance with Heald and CCI policy, students who failed to attend for 14 consecutive days were automatically withdrawn. In order to avoid withdrawals, the Registrar's office ran weekly reports of students who had been absent 7, 10, and 14 consecutive days. The Registrar's office and instructors were tasked with calling these students to urge them to come in at least one day prior to the 14th day of absence.

Heald officials asserted that any change of attendance could only be manually initiated by a student's instructor on the appropriate Attendance Change Request Form. This form had to then be approved by the Director of Academic Affairs, who then provided it to an employee in the Registrar's office, who entered the change into CampusVue. Heald officials stated that instructors did not have access to make attendance changes into CampusVue, and that any change of attendance had to be supported by an Attendance Change Request Form signed by the instructor, Director of Academic Affairs, and Registrar.

Prior to the site visit, the reviewers obtained a copy of the data from 2011 showing every grade and attendance change entered into the CampusVue system at Heald. An analysis of the data reflected that, during the calendar year 2011, there were 3,643 changes of attendance from absent to present by 95 instructors. One instructor, Instructor 1, purportedly made 771 of these changes. When interviewed, Instructor 1 insisted that he did not make these changes, and that his attendance changes would have been rare. Another instructor, Instructor 2, had 693 of the changes credited to him in the data. Instructor 2 also insisted that he rarely made attendance changes and that he certainly did not make that many changes.

Instructor 1 and Instructor 2 also denied ever falsifying attendance or grades. Instructor 2, however, stated that he was pressured frequently by his Program Director (PD) to falsify grades. He also stated that he noticed several occasions in which the grades for students had been changed by someone after he had input his final grades, always resulting in changing a failing to a passing grade. The Department conducted interviews with 12 additional employees, including ten instructors, one former PD, and a former placement representative. All ten instructors, plus the PD, confirmed that they falsified attendance, saw others falsify attendance, or were pressured by their PD to falsify attendance. The PD confirmed that, under orders of his supervisor, he told instructors to falsify attendance, some of whom did, and that he saw "perhaps hundreds" of falsified attendance records.

Instructors also stated that they were sometimes told to sign Attendance Change Request Forms for students who were not in attendance. They said that the Associate Director of Academic Affairs (ADAA) or PDs sometimes directed them to count a student as present because, while the student was not, in fact, present in the instructor's class, the ADAA or PD insisted that the student was actually in someone else's class. One instructor told reviewers that she told her PD, who insisted she falsify her attendance records, that she refused to do so, and if the student was in attendance in someone else's class, he should request that the other instructor sign the attendance form. Several instructors advised the reviewers that in 2011, shortly after "CCI came on the scene" they were told to sign "stacks" of attendance change forms on a weekly basis.

They stated that the forms sometimes would make no sense. For instance, they would be told to sign an Attendance Change Request Form indicating a change from absent to present and another form changing from absent to absent for the same student on the same day. Instructors said that they were never provided an explanation as to why they were to change an absent to absent and absent to present on the same day.

The following student files illustrate Heald's failure to follow its stated procedure and cases of falsified attendance:

- **Student #1** began her enrollment on April 18, 2011. CampusVue attendance detail records showed that Heald input that the student was enrolled in [REDACTED] Anatomy/Physiology 215 class, starting on April 18, 2011, but that she was absent from [REDACTED] class that day. The file contained an Attendance Change Request Form indicating that instructor [REDACTED], not the student's actual instructor, had requested a change of attendance for April 18, 2011. The form, however, was not signed by any instructor, but was signed on April 21, 2011, by the ADAA, by the registrar, and by an administrative staff assistant.
- **Student #2's** file contained two Attendance Change Request Forms. One form requested a change in the student's attendance from absent to absent for seven days in October, November, and December 2011. The other requested a change of the student's attendance from absent to present for seven days during October and November 2011. The entries were all dated January 6, 2012. None of the staff, including the Registrar's office and the Director of Academic Affairs could explain why an attendance record would be changed from absent to absent or why these change requests were made weeks or months after the fact, in violation of Heald's policy.
- **Student #13** purportedly began attendance on August 22, 2011. Despite requests, Heald provided no attendance records for time frames prior to October 17, 2011 for this student.
- **Student #31** enrolled in two classes during a payment period that began on July 18, 2011, and ended on September 24, 2011. Heald provided no documentation or evidence to show any attendance in CampusVue during the payment period. Heald officials claimed that all attendance for the period of review would be recorded in CampusVue. However, the attendance data in Peoplesoft, one of the attendance software systems at Heald, included 18 changes to the student's attendance, changing his attendance from absent to present nine times for each of the two classes in which the student was enrolled. These attendance changes are all exactly one week apart, from July 29, 2011, through September 24, 2011. All of these changes were entered on September 29, 2011, after the end of the payment period and weeks after the date for which most of the changes were being made. The changes were supported by Attendance Change Request Forms that stated the reason for the change as "Student Reinstated," which implied that the student had been dropped, but there was no documentation supporting this student status change.

- **Student #32's** file revealed that the student was enrolled during the payment period from January 18, 2011 through March 31, 2011. The attendance data in Peoplesoft showed that four changes were made to the student's attendance, which changed her attendance from absent to present on February 10, February 17, March 3, and March 17, 2011. These attendance changes are all 7 to 14 days apart – sufficient to prevent the student from being dropped under Heald's 14-day policy. All of these changes were entered on April 1, 2011, after the end of the payment period and weeks after the date for which most of the changes were being made. The changes were supported by one Attendance Change Request Form that stated the reason for the change as "Student Reinstated," which implied that the student had been dropped. There was no other supporting documentation for a withdrawal and reinstatement of the student. Oddly, another Attendance Change Request Form requested a change of attendance from absent to absent for February 24, March 10, and March 24, 2011, stating "student reinstated" as the reason for the change. Heald provided no attendance record for this student from CampusVue, the primary system through which Heald maintained this data.
- **Student #33's** file demonstrated that the student was enrolled during the payment period from January 18, 2011 through March 17, 2011. The attendance data in Peoplesoft indicates that four changes were made to the student's attendance, changing her attendance from absent to present on February 24, March 1, and March 15. These attendance changes are all 7 to 14 days apart – sufficient to prevent the student from being dropped under Heald's 14-day policy. All of these changes were entered on March 17, 2011, the last day of the payment period and weeks after the date for which some of the changes were being made. The changes were supported by Attendance Change Request Forms that stated the reason for the changes were "roster submitted was incorrect." The file also had an Attendance Change Request Form requesting that the student's attendance be changed from absent to absent on February 17 and February 22, 2011, and March 3–17, 2011, because, as noted on the Form, "Student in process of being reinstated." There was no evidence the student had withdrawn or taken a leave of absence and was being reinstated. The file also contained a letter from the student's mother stating that the student was obligated to stay home from school from February 9 through February 25, 2011. Heald provided no attendance records for this student from CampusVue or any other source documentation of attendance. Therefore, the actual attendance recorded could not be verified.
- **Student #34's** file showed that the student was enrolled during the payment period from April 18, 2011 through July 2, 2011. The attendance data in Peoplesoft revealed that two changes were made to the student's attendance, which changed her attendance from absent to present on January 25 and March 10, 2011, with no supporting Attendance Change Request Forms. Heald provided no attendance record for this student from CampusVue or any other source documentation.

- **Student #35's** file showed that the student was enrolled during the payment period from January 18, 2011 through March 31, 2011. The attendance data in Peoplesoft demonstrated that five changes were made to the student's attendance, which changed her attendance from absent to present on May 22, May 29, June 4, June 11, and June 29, 2011. The reasons for the changes, as noted by the instructor, were either "student was re-instated" or "documents provided." The file contained an e-mail from the student to her instructor indicating that she was appealing her withdrawal based on the fact that her absence was due to a death in the family and her own medical procedures. Heald provided no attendance record for this student from CampusVue or any other source documentation.
- **Student #36's** file revealed that the student was enrolled during the payment period from January 18, 2011 through March 31, 2011. The attendance data in Peoplesoft showed that ten changes were made to the student's attendance, which changed her attendance from absent to present on February 1, February 3, February 17, February 22, February 24, March 8, March 10, March 15, March 29 and March 31, 2011. The reason for the changes stated by the instructor was "Attendance not posted query," or no reason was stated. The file contained an e-mail dated March 8, 2011, from the student to her instructor, which stated that she was appealing her withdrawal because her absence was due to health reasons. Heald granted her appeal on March 15, 2011, indicating "posted attendance as required." Heald provided no attendance record for this student from CampusVue or any other source documentation.
- **Student #37's** file showed that she was enrolled at Heald in payment periods from the term that began in January 2011 through the term that began in April 2011, up until July 3, 2011. During these two terms, the attendance data in Peoplesoft revealed that 58 changes were made to the student's attendance, which changed her attendance from absent to present in all these instances. All 58 entries were entered into the system on October 14, 2011. The file contained supporting Attendance Change Request Forms for only one of the days during this period. Heald provided no attendance record for this student from the CampusVue system or any other source documentation.

Directives from the PRR: Heald was required to:

1. Conduct a file review of all of Heald's attendance and grade entries made in CampusVue and any other electronic system used to administer, track, and record grades and/or attendance for the 2011-12 and 2012-13 award years and identify changes that were not supported by properly executed Attendance Change Request Forms or Grade Change Forms. Heald was required to prepare a report of each change, identifying each change unsupported by an Attendance Change Form or Grade Change Form.
2. Provide a copy of Heald's Attendance Audit Data and Grade Audit Data from CampusVue and any other electronic system used to track, record, or administer

attendance or grades. These data documents were required to reflect all original attendance and grade entries, as well as changes to those documents.

3. Provide a copy of each Attendance Change Request Form and Grade Change Form in its records for the 2011-12 and 2012-13 award years. Heald was advised that if it were unable to provide a copy of each of these forms, it was to provide a narrative explanation for why it could not provide the appropriate forms and how data changes were made to CampusVue or another grade or attendance system without an accompanying form.
4. Provide a description and effective date for each electronic system used to track, record, and administer attendance and grades.

Analysis of Liability Determination: Heald failed to respond to the PRR. Therefore, a final determination for this finding has been made without the benefit of the institution's response.

Student attendance and grades are directly linked to student eligibility for disbursement of Title IV funds, including in the requirements that students meet satisfactory academic progress per 34 C.F.R. § 668.34, in the Return of Title IV Funds (R2T4) requirements for withdrawn students in 34 C.F.R. § 668.22, and in the requirements for students who do not begin attendance in 34 C.F.R. § 668.21. Without accurate and complete attendance information, and given the evidence of falsification of documents, it is impossible to determine which students were eligible for Title IV funds and in what amounts. As a result, the Department has established a liability for all of the Title IV aid disbursed to students in the 2011-12 and 2012-13 award years, plus COF on those amounts. The table below summarizes the liabilities for this finding.

Title IV Program	Award Year		Total
	2011-12	2012-13	
Pell Grant	\$ 6,404,762.00	\$ 5,463,720.00	\$11,868,482.00
Direct Sub Loan	\$ 6,491,096.00	\$ 5,143,842.00	\$11,634,938.00
Direct Unsub Loan	\$ 6,820,551.00	\$ 5,389,644.00	\$12,210,195.00
Direct PLUS Loan	\$ 900,977.00	\$ 471,225.00	\$ 1,372,202.00
Pell Grant COF	\$ 223,926.00	\$ 136,382.00	\$ 360,308.00
Direct Loan COF	\$ 496,908.00	\$ 274,693.00	\$ 771,601.00
Total	\$21,338,220.00	\$16,879,506.00	\$38,217,726.00

Appendix C1 contains student-level detail with respect to these liabilities. Appendix C2 contains the COF calculations.¹

¹ The Department has rounded the results of the COF calculation in Appendix C1 to the nearest whole dollar.

D. Additional Liabilities Resulting from Heald's Closure

In addition to the liabilities resulting from the findings in the PRR, Heald is responsible for the repayment of student loan discharges. Students who were enrolled at the time of the school's closure or who withdrew from the school within 120 days preceding the school's closure, and who were unable to complete their programs because of the closure, may apply for a closed school discharge of their federal student loans. Students who complete their educational programs through a teach-out, or use the credits gained at the closed school to complete an educational program at another school, are not eligible for a closed school discharge. 34 C.F.R. § 685.214(c). A borrower may apply for a loan discharge through the holder of the loan. If the discharge is granted, any amounts already repaid will be refunded. See 34 C.F.R. § 685.214(a). If the borrower's loan is discharged, the borrower is relieved of responsibility to repay the loans and automatically assigns to the Department his or her rights under applicable law with respect to the loans or the enrollment agreements against the school, its principals, affiliates and their successors, its sureties, and any private fund, including the portion of a public fund that represents funds received from a private party, up to the amount discharged. 34 C.F.R. § 685.214(e).

Per the Department's records, Heald has incurred a total of **\$6,031,197.00** in closed school loan discharges granted to students who were unable to complete their programs of study as a result of Heald's closure. This amount is a liability due to the Department and is included in the Summary of Liabilities in Section E of this FPRD.

	OPE ID		
Title IV Program	03034000	00723409	TOTAL
Direct Subsidized Loan	\$ 521,630.00	\$ 2,027,927.00	\$ 2,549,557.00
Direct Unsubsidized Loan	\$ 736,387.00	\$ 2,400,659.00	\$ 3,137,046.00
Direct PLUS Loan	\$ 63,447.00	\$ 175,049.00	\$ 238,496.00
FFEL Subsidized Loan	\$ 34,334.00	\$ -	\$ 34,334.00
FFEL Unsubsidized Loan	\$ 71,764.00	\$ -	\$ 71,764.00
Total	\$ 1,427,562.00	\$ 4,603,635.00	\$ 6,031,197.00

Appendix D identifies the borrowers whose loans were discharged, the loans discharged, and the total amounts paid by the Department for the discharge of each loan. Please note that the discharge amounts include the principal of any loan and any interest accrued on the loan.

E. Summary of Liabilities

The total amount calculated as liabilities from the findings in the PRR and the closed school loan discharges is **\$43,402,512.00**.

The liability amount in the first chart below, entitled "Actual Liabilities – Including Duplicates," reflects duplicated and unduplicated liabilities. The Department has included this chart so that

the institution understands the liabilities associated with each finding. The liability amount in the second chart below, entitled “Established Liabilities – Duplicates Removed,” reflects only unduplicated liabilities.

Actual Liabilities by Finding – Including Duplicates		
Title IV Program	Finding #1	Loan Discharges
Pell Grant	\$11,868,482.00	\$ -
Direct Sub Loan	\$11,634,938.00	\$2,549,557.00
Direct Unsub Loan	\$12,210,195.00	\$3,137,046.00
Direct PLUS Loan	\$ 1,372,202.00	\$ 238,496.00
FFEL Subsidized Loan	\$ -	\$ 34,334.00
FFEL Unsubsidized Loan	\$ -	\$ 71,764.00
Pell Grant COF	\$ 360,308.00	\$ -
Direct Loan COF	\$ 771,601.00	\$ -
Total	\$38,217,726.00	\$6,031,197.00

Established Liabilities by Finding – Duplicates Removed			
Title IV Program	Finding #1	Loan Discharges	Total
Pell Grant	\$11,868,482.00	\$ -	\$11,868,482.00
Direct Sub Loan	\$11,272,979.00	\$ 2,549,557.00	\$13,822,536.00
Direct Unsub Loan	\$11,767,357.00	\$ 3,137,046.00	\$14,904,403.00
Direct PLUS Loan	\$ 1,353,749.00	\$ 238,496.00	\$ 1,592,245.00
FFEL Subsidized Loan	\$ -	\$ 34,334.00	
FFEL Unsubsidized Loan	\$ -	\$ 71,764.00	
Pell Grant COF	\$ 360,308.00	\$ -	\$ 360,308.00
Direct Loan COF	\$ 748,440.00	\$ -	\$ 748,440.00
Total	\$37,371,315.00	\$ 6,031,197.00	\$43,402,512.00

Duplicate Liabilities:

The liabilities for \$113,630.00 in 2011-12 Direct Subsidized Loan funds, \$137,112.00 in 2011-12 Direct Unsubsidized Loan funds, \$10,321.00 in 2011-12 Direct PLUS Loan funds, \$248,329.00 in 2012-13 Direct Subsidized Loan funds, \$305,726.00 in 2012-13 Direct Unsubsidized Loan funds, and \$8,132.00 in 2012-13 Direct PLUS Loan funds (identified in Rows 16, 17, 18, 20, 21, and 22 of Appendix C2) in Finding #1 are fully duplicated by the liabilities for loan discharges in Section D of this FPRD.

To account for the duplicated amounts, the Department removed the total duplicated principal of \$823,250.00 and \$23,161.00 in associated COF from the total liabilities for Finding #1 in the “Established Liabilities” table.

Bankruptcy Protection

The Department is aware that Heald has filed for bankruptcy. Therefore, this letter is **not** a demand for payment by the Department. This letter sets forth the liabilities calculated by the Department from the records of the Department and Heald, and explains the administrative appeal rights for those findings that are available under applicable provisions of the HEA. The Department will seek recovery of this liability **only** in accordance with applicable bankruptcy law.

F. Appendices

Appendix A: Student Sample

Appendix B: Program Review Report

Appendix C1: Student-Level Detail for Finding #1

Appendix C2: Cost of Funds Calculation for Finding #1

Appendix D: Loan Discharges

Heald College – Salinas
OPE ID: 00723409
PRCN: 201330928310

APPENDIX A

Student Sample

Appendix A (Student Sample) contains personally identifiable information. Please contact Jessica Finkel at (415) 486-5405 to provide a current e-mail address and the Department will e-mail the file to Heald as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The Department will send the password needed to open the encrypted WinZip file in a separate e-mail.

Heald College – Salinas
OPE ID: 00723409
PRCN: 201330928310

APPENDIX B
Program Review Report



December 28, 2015

Mr. Jack D. Massimino
Chief Executive Officer
Corinthian Colleges, Inc.
6 Hutton Center Drive, Suite 400
Santa Ana, CA 92707-5764

Certified Mail
Return Receipt Requested
#: 70150640000610807542

RE: Program Review Report
Heald College, Salinas, CA
OPE ID: 00723409
PRCN: 201330928310

Dear Mr. Massimino:

From June 24, 2013 to June 29, 2013, Donna Wittman and Tracy Simmonds conducted a review of Heald College's (Heald's) administration of the programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 *et seq.* (Title IV, HEA programs). The findings of that review are presented in the enclosed report, with the exception of placement rate misrepresentations, which were presented in a Notice of Intent to Fine Heald, dated April 14, 2015.

Findings of noncompliance are referenced to the applicable statutes and regulations and specify the action required to comply with the statutes and regulations. Please review the report and respond to each finding. The response must include a brief, written narrative for each finding that states Heald's position regarding the finding. Separate from the written narrative, Heald must provide supporting documentation, as required by each finding.

Please note that pursuant to HEA Section 498A(b), the Department is required to:

- (1) provide to the institution an adequate opportunity to review and respond to any preliminary program review report¹ and relevant materials related to the report before any final program review report is issued;
- (2) review and take into consideration an institution's response in any final program review report or audit determination, and include in the report or determination –
 - a. A written statement addressing the institution's response;
 - b. A written statement of the basis for such report or determination; and
 - c. A copy of the institution's response.

The Department considers an institution's response to be the written narrative (to include e-mail communication). Any supporting documentation submitted with the institution's written response will not be attached to the Final Program Review Determination (FPRD). It will be

¹ A "preliminary" program review report is the program review report. The Department's final program review report is the Final Program Review Determination (FPRD).

retained and available for inspection by Heald upon request. Copies of the program review report, the institution's response, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after the FPRD is issued.

Heald's response should be sent directly to me within 45 calendar days of receipt of this letter.

Protection of Personally Identifiable Information (PII):

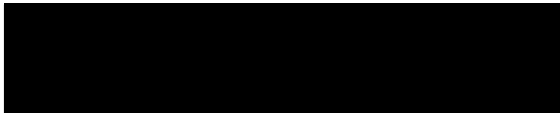
PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the findings in the attached report do not contain any student PII. Instead, each finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample. Please see the enclosure Protection of Personally Identifiable Information for instructions regarding submission to the Department of required data/documents containing PII.

Record Retention:

Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims, or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. § 668.24(e).

Please refer to the above Program Review Control Number (PRCN) in all correspondence relating to this report. If you have any questions concerning this report, please contact me at (415) 486-5614 or at gayle.palumbo@ed.gov.

Sincerely,



Gayle E. Palumbo, Ed. D.
Compliance Manager
San Francisco/Seattle School Participation Division

Enclosures:

Program Review Report
Protection of Personally Identifiable Information

PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION

Personally Identifiable Information (PII) being submitted to the Department must be protected. PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth).

PII being submitted electronically or on media (e.g., CD-ROM, floppy disk, DVD) must be encrypted. The data must be submitted in a .zip file encrypted with Advanced Encryption Standard (AES) encryption (256-bit is preferred). The Department uses WinZip. However, files created with other encryption software are also acceptable, provided that they are compatible with WinZip (Version 9.0) and are encrypted with AES encryption. Zipped files using WinZip must be saved as Legacy compression (Zip 2.0 compatible).

The Department must receive an access password to view the encrypted information. The password must be e-mailed separately from the encrypted data. The password must be 12 characters in length and use three of the following: upper case letter, lower case letter, number, special character. A manifest must be included with the e-mail that lists the types of files being sent (a copy of the manifest must be retained by the sender).

Hard copy files and media containing PII must be:

- sent via a shipping method that can be tracked with signature required upon delivery
- double packaged in packaging that is approved by the shipping agent (FedEx, DHL, UPS, USPS)
- labeled with both the "To" and "From" addresses on both the inner and outer packages
- identified by a manifest included in the inner package that lists the types of files in the shipment (a copy of the manifest must be retained by the sender).

PII data cannot be sent via fax.

Prepared for
Heald College

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

PROUD SPONSOR of
the AMERICAN MIND™

OPE ID 00723409
PRCN 201330928310

Prepared by
U.S. Department of Education
Federal Student Aid
San Francisco/Seattle School Participation Division

Program Review Report

December 28, 2015

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Heald College
OPE ID 00723409
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A. Institutional Information

Heald College
1450 North Main Street
Salinas, CA 93906-5100

Type: Proprietary

Highest Level of Offering: Associate's Degree

Accrediting Agency: Western Association of Schools and Colleges - Senior College and University Commission

Current Student Enrollment: 1,961 (2013-2014)

% of Students Receiving Title IV: 86.13% (2013-2014)

Title IV Participation (as reported by Heald):

	<u>2012-2013</u>
Federal Pell Grant (Pell)	\$5,814,081
Federal Supplemental Educational Opportunity Grant (FSEOG)	\$78,300
Federal Work Study (FWS)	\$100,430
William D. Ford Federal Direct Student Loan (FDL)	\$14,915,494
Academic Competitiveness Grant (ACG)	\$0
National Science and Mathematics Access to Retain Talent Grant (SMART)	\$0
Teacher Education Assistance for College and Higher Education Grant (TEACH)	<u>\$0</u>
Total	\$20,908,305

Default Rate FFEL/DL: 2011/5.2%
 2010/9.8%
 2009/10.4%

B. Scope of Review

The U.S. Department of Education (the Department) conducted a program review at Heald College (Heald) from June 24, 2013 to June 29, 2013. The review was conducted by Donna Wittman and Tracy Simmonds.

The focus of the review was on fiscal responsibility and online education delivery. The review consisted of an examination of Heald's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records.

A sample of 30 files was identified for review from the 2011-2012 and 2012-2013 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A identifies the students whose files were examined during the program review (students ##1-30). Additional student records were examined related to Finding 1, specifically students ##31-39. Appendix A contains personally identifiable information and will be provided to Heald as an encrypted WinZip file using Advanced Encryption Standard 256-bit encryption.

Disclaimer:

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning Heald's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve Heald of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

This report reflects initial findings. These findings are not final. The Department will issue its final findings in a subsequent Final Program Review Determination (FPRD) letter.

C. Findings

During the review, several areas of noncompliance were noted. Findings of noncompliance are referenced to the applicable statutes and regulations and specify the actions to be taken by Heald to bring operations of the financial aid programs into compliance with the statutes and regulations.

Finding 1. Breach of Fiduciary Duty: Falsification of Attendance and Grade Records/Inconsistent Attendance Records

Citation: A participating institution acts in the nature of a fiduciary in the administration of the Title IV, HEA programs. To participate in any Title IV, HEA program, the

institution must at all times act with the competency and integrity necessary to qualify as a fiduciary. 34 C.F.R. § 668.82(a). In the capacity of a fiduciary, a participating institution is subject to the highest standard of care and diligence in administering the programs and in accounting to the Secretary for the funds received under those programs. 34 C.F.R. § 668.82(b)(1).

Noncompliance: Prior to the site visit, the program review team spoke with the Director of the SFA Audit/Compliance Department for Corinthian Colleges, Inc. (CCI), the parent company of Heald. She indicated that all attendance and grade entries and changes are maintained in CampusVue, a campus management software system. Under this system, and in accordance with Heald and CCI policy, students who fail to attend for 14 consecutive days are automatically withdrawn. In order to avoid withdrawals, the Registrar's office ran weekly reports of students who had been absent seven, ten, and 14 consecutive days. The Registrar's office and instructors were tasked with calling these students to urge them to come in at least one day prior to the 14th day of absence.

Heald officials had asserted that any change of attendance may only be manually initiated by a student's instructor on the appropriate Attendance Change Request Form. This form must then be approved by the Director of Academic Affairs, who then provided it to an employee in the Registrar's office who entered the change into CampusVue, Heald's computerized student data tracking system. Heald officials stated that instructors did not have access to make attendance changes into CampusVue, and that any change of attendance must be supported by an Attendance Change Request Form signed by the instructor, Director of Academic Affairs, and Registrar.

Prior to the site visit, the reviewers obtained a copy of the data from 2011 showing every grade and attendance change entered into the CampusVue system at Heald. An analysis of the data reflected that, during the calendar year 2011, there were 3,643 changes of attendance from absent to present by 95 instructors. One instructor, Instructor 1, purportedly made 771 of these changes. When interviewed, Instructor 1 insisted that he did not make these changes, that his attendance changes would have been rare. Another instructor, Instructor 2, had 693 of the changes credited to him in the data. Instructor 2 also insisted that he rarely made attendance changes and that he certainly did not make that many changes.

Instructor 1 and Instructor 2 also denied ever falsifying attendance or grades. Instructor 2, however, stated that he was pressured frequently by his Program Director (PD) to falsify grades. He also stated that he noticed several occasions in which the grades of record for students had been changed by someone after he had input his final grades, always resulting in changing a failing to a passing grade. The Department conducted interviews with 12 additional employees, including ten instructors (six current instructors and four former instructors), one former PD, and a former placement representative. All ten instructors, plus the PD, confirmed that they falsified attendance, saw others falsify attendance, or were pressured by their PD to falsify attendance. The PD confirmed that,

under orders of his supervisor, he told instructors to falsify attendance, some of whom did, and that he saw “perhaps hundreds” of falsified attendance records.

Instructors also stated that they were sometimes told to sign Attendance Change Request Forms for students who were not in attendance. They said that the Associate Director of Academic Affairs (ADAA) or PDs sometimes directed them to count a student as present because, while the student was not, in fact, present in the instructor’s class, the ADAA or PD insisted that the student was actually in someone else’s class. One instructor told reviewers that she told her PD, who insisted she falsify her attendance records, that she refused to do so, and that if the student was in attendance in someone else’s class, he should request that other instructor to sign the attendance form. Several instructors advised the reviewers that in 2011, shortly after “CCI came on the scene” they were told to sign “stacks” of attendance change forms on a weekly basis. They stated that the forms sometimes would make no sense. For instance, they would be told to sign an Attendance Change Request Form indicating a change from absent to present and another form changing from absent to absent for the same student on the same day. Instructors said that they were never provided an explanation as to why they were to change an absent to absent and absent to present on the same day.

Student attendance and grades are directly linked to student eligibility for disbursement of Title IV funds, including in the requirements that students meet satisfactory academic progress at 34 C.F.R. § 668.34 and in the Return to Title IV (R2T4) requirements for withdrawn students and for students who do not begin attendance at 34 C.F.R. §§ 668.21 and 668.22.

An example of the failure of Heald to follow its stated procedure is in the file of Student #1, who began her enrollment on April 18, 2011. CampusVue attendance detail records show that Heald input that the student was enrolled in N█████ Anatomy/Physiology 215 class, starting on April 18, 2011, but that she was absent from N█████ class that day. The file contained an Attendance Change Request Form indicating that instructor ██████ not the student’s actual instructor, had requested a change of attendance for April 18, 2011 to change her attendance from absent to absent for the Anatomy/Physiology 215 class. The form, however, was not signed by any instructor, but was signed on April 21, 2011 by the ADAA, by the Registrar, and by an administrative staff assistant.

Further examples are:

Student #2’s file contains two Attendance Change Request Forms. One form requested a change in the student’s attendance from absent to absent for seven days in October, November, and December 2011. The other requested a change of the student’s attendance from absent to present for seven days during October and November 2011. The entries were all dated January 6, 2012. None of the staff, including the Registrar’s office and the Director of Academic Affairs, could explain why an attendance would be

changed from absent to absent or why these change requests were made weeks or months after the fact, in violation of Heald's policy.

Student #31 enrolled in two classes during a payment period that began on July 18, 2011 and ended on September 24, 2011. Heald provided no documentation or evidence to show any attendance in CampusVue during the payment period. Heald officials claimed that all attendance for the period of review would be recorded in CampusVue. However, the attendance data in Peoplesoft, one of the attendance software systems of Heald, included 18 changes to the student's attendance, changing his attendance from absent to present, nine for each of the two classes in which the student was enrolled. These attendance changes were all exactly one week apart, from July 29, 2011 through September 24, 2011. All of these changes were entered on September 29, 2011, after the end of the payment period and weeks after the date for which most of the changes were made. The changes were supported by Attendance Change Request Forms that stated the reason for the change as "Student Reinstated," which showed that the student had been dropped, but there was no documentation supporting this student status change.

Student #32's file revealed that the student was enrolled during the payment period from January 18, 2011 through March 31, 2011. The attendance data in Peoplesoft showed that four changes were made to the student's attendance, which changed her attendance from absent to present on February 10, February 17, March 3, and March 17, 2011. These attendance changes were all seven to 14 days apart – sufficient to prevent the student from being dropped under Heald's 14-day policy. All of these changes were entered on April 1, 2011, after the end of the payment period and weeks after the date for which most of the changes were made. The changes were supported by one Attendance Change Request Form that stated the reason for the change as "Student Reinstated," which showed that the student was dropped, but that she was simply reinstated by inputting attendance changes with no other supporting documentation. Oddly, another Attendance Change Request Form requested a change of attendance from absent to absent for February 24, March 10, and March 24, 2011, stating "student reinstated" as the reason for the change. Heald provided no attendance record for this student from CampusVue, the primary system through which Heald maintained this data.

Student #33's file demonstrated that the student was enrolled during the payment period from January 18, 2011 through March 17, 2011. The attendance data in Peoplesoft showed that four changes were made to the student's attendance, changing her attendance from absent to present on February 24, March 1, March 15, and March 31, 2011. These attendance changes were all seven to 14 days apart – sufficient to prevent the student from being dropped under Heald's 14-day policy. All of these changes were entered on March 17, 2011, the last day of the payment period and weeks after the date for which some of the changes were made. The changes for February 24, March 1, and March 15 were supported by Attendance Change Request Forms that stated the reason for the change as "roster submitted was incorrect." There was no Attendance Change Request Form to support the March 31, 2011 change. The file also had an Attendance Change

Request Form requesting that the student's attendance be changed from absent to absent on February 17, February 22, and March 3-17, 2011 because, as noted on the Form, "Student in process of being reinstated." The file also contains a letter from the student's mother stating that the student was obligated to stay home from school from February 9 through February 25, 2011. Heald provided no attendance record for this student from CampusVue or any other source documentation of attendance.

Student #34's file showed that the student was enrolled during the payment period from April 18, 2011 through July 2, 2011. The attendance data in Peoplesoft revealed that two changes were made to the student's attendance, which changed her attendance from absent to present on January 25 and March 10, 2011 with no supporting Attendance Change Request Form. Heald provided no attendance record for this student from CampusVue or any other source documentation.

Student #35's file showed that the student was enrolled during the payment period from January 18, 2011 through March 31, 2011. The attendance data in Peoplesoft demonstrated that five changes were made to the student's attendance, changing her attendance from absent to present on May 22, May 29, June 4, June 11, and June 29, 2011. The reasons for the changes, as noted by the instructor, were either "student was re-instated" or "documents provided." The file contained an email from the student to her instructor indicating that she was appealing her withdrawal based on the fact that her absence was due to a death in the family and her own medical procedures. Heald provided no attendance record for this student from CampusVue or any other source documentation.

Student #36's file revealed that the student was enrolled during the payment period from January 18, 2011 through March 31, 2011. The attendance data in Peoplesoft showed that ten changes were made to the student's attendance, which changed her attendance from absent to present on February 1, 3, 17, 22, 24, March 8, 10, 15, 29, and 31, 2011. The reason for the changes stated by the instructor was "Attendance not posted query," or no reason was stated. The file contained an email dated March 8, 2011 from the student to her instructor, which stated that she was appealing her withdrawal, because her absence was due to health reasons. Heald granted her appeal on March 15, 2011, indicating "posted attendance as required." Heald provided no attendance record for this student from CampusVue or any other source documentation.

Student #37's file showed that she was enrolled at Heald in payment periods from the term that began in January 2011 through the term that began in April 2011, a period from January 18, 2011 through July 3, 2011. During these two terms, the attendance data in Peoplesoft revealed that 58 changes were made to the student's attendance, which changed her attendance from absent to present in all these instances. All 58 entries were entered into the system on October 14, 2011. The file contained supporting Attendance Change Forms for only one of the days during this period. Heald provided no attendance record for this student from the CampusVue system or any other source documentation.

Student #13 purportedly began attendance on August 22, 2011. Despite requests, Heald provided no attendance records for time frames prior to October 17, 2011 for this student.

Required Action: Heald is now closed. Nonetheless, in response to this finding, CCI must conduct a file review of all of Heald's attendance and grade entries made in CampusVue and any other electronic system used to administer, track, and record grades and/or attendance for the 2011-12 and 2012-13 award years and identify changes that are not supported by properly executed Attendance Change Forms or Grade Change Forms, prepare a report of each change, identifying each change unsupported by an Attendance Change Form or Grade Change Form. The report must be provided in an Excel spreadsheet, which sets forth every column of data in the CampusVue attendance audit data base and also include the social security number of each student and an additional column indicating whether the change is supported by a properly executed Attendance Change Form or Grade Change Form.

CCI also must provide a copy of Heald's Attendance Audit Data and Grade Audit Data (all fields) downloaded from CampusVue and any other electronic system used to track, record, or administer attendance or grades. These data documents must reflect all original attendance and grade entries, as well as changes to those documents. CCI must provide a copy of each Attendance Change Form and Grade Change Form in its records for the 2011-12 and 2012-13 award years. If CCI is unable to provide a copy of each Attendance Change Form and Grade Change Form, CCI must set forth a narrative explanation of why the appropriate forms are not provided and how data changes were made to CampusVue or other grade or attendance system without an accompanying form. With regard to each electronic system used to track, record, and administer attendance and grades, CCI also must provide a description and effective dates of such systems.

Once the Department has evaluated CCI's response to this finding, additional required actions may be set forth.

Finding 2. No Notice to Student of Title IV Funds Returned to Direct Loan Account

Citation: When an institution returns Title IV Direct Loan funds to the borrower's account, it is required to provide simultaneous written notice to the borrower of the returned funds. 34 C.F.R. § 685.306(a)(2).

Noncompliance: Student #1 withdrew from Heald on August 10, 2011, which resulted in the return of Direct Loan funds by Heald to the student's loan account. Heald provided no documentation of a notice being provided to the student borrower regarding the returned loan funds.

Required Action: Heald is now closed; however, CCI must provide Student #1 with a written notice of the funds returned to the student's Direct Loan accounts, and provide a copy of such notice with its response to this Program Review Report.

Finding 3. Required Documentation in Files is Missing

Citation: In order to be capable of administering Title IV programs, an institution must, among other obligations, establish and maintain records required by the Title IV regulations. 34 C.F.R. § 668.16(d)(1). Among the records that must be maintained in order to comply with the Title IV requirements is documentation of each student's or parent borrower's eligibility for Title IV funds, including the amount, date, and basis of the institution's calculation of any refunds or overpayments due to on behalf of the student, and the treatment of Title IV funds when a student withdraws. 34 C.F.R. § 668.24(c)(1)(iv)(C). While such documentation may be maintained in either hard copy or electronic media, it must be retrievable in a coherent format and made available to the Secretary or the Secretary's authorized representative. 34 C.F.R. § 668.24(d).

Noncompliance: As the Secretary's authorized representatives, the program reviewers requested that Heald Salinas provide them all financial aid documents, academic documents, and placement records on a random sample of identified students who received Title IV funds between July 1, 2011 and June 24, 2013, the first day of the site visit. In addition to some attendance records as noted in Finding 1 above, other required documents were missing from files that were reviewed. Such missing documents included records on the following students:

Student #1 withdrew from Heald with a last date of attendance of August 10, 2011. Heald returned Title IV funds due on account of the student's withdrawal, but Heald provided no documentation of the calculation of Return to Title IV (R2T4) funds that were returned.

Student #8 began her enrollment at Heald on July 8, 2012. There was no award letter or other documentation in the file indicating that the student was advised of her Title IV awards and when they would be paid. Heald disbursed \$3,238 in 2011-12 Pell, \$5,550 in 2012-13 Pell, \$9,500 in Direct Loan funds in the 2011-12 award year, and \$14,250 in Direct Loan funds in the 2012-13 award year to the student's account.

Required Action: Heald is now closed; however, in response to this program review report, Heald must document its calculation of the R2T4 funds returned by Heald and provide a copy of the calculation in its response to this Program Review Report.

Finding 4. Subsidized Direct Loan Awarded and Disbursed in Excess of Aggregate Loan Limits.

Citation: The aggregate unsubsidized Direct Loan limit made to a student, including any subsidized Direct Loans made to the student but excluding the amount of capitalized interest, may not exceed \$23,000 in the case of any student who has not successfully completed a program of study at the undergraduate level. 34 C.F.R. § 685.203(d)(1).

Noncompliance: Student #11 had not successfully completed a program of study at the undergraduate level when she enrolled at Heald in September 2009. Her 2011-2012 Institutional Student Information Record (ISIR) contained a warning indicating that the student's unsubsidized Direct Loan amounts may have already exceeded the aggregate unsubsidized Direct Loan limit of \$23,000. At that time, \$23,056 of subsidized Direct Loan funds had been disbursed to the student, with the \$56 overpayment being caused by Heald's disbursement of \$885 in subsidized Direct Loan funds on January 25, 2011. Instead of requiring the student to return the overpayment, Heald proceeded to award and disburse an additional \$2,375 of subsidized Direct Loan funds for the 2011-2012 award year, resulting in a total overpayment of \$2,431 of subsidized Direct Loan funds in excess of the \$23,000 aggregate limit.

Required Action: Heald is now closed; however, the overpayment of \$2,431 to Student #11 is a liability due from Heald to the Department. Instead of requiring that Heald purchase the loan, the Department may establish a liability on the basis of an estimated loss to the federal government on the amount of the overpayment. Further instructions on repayment of this liability will be provided in the FPRD.

Finding 5. Late Payment of Credit Balances

Citation: Whenever an institution disburses Title IV, HEA program funds by crediting a student's account and the total amount of all Title IV, HEA program funds credited exceeds the amount of tuition and fees, room and board, and other authorized charges the institution assessed the student, the institution must pay the resulting credit balance directly to the student or parent as soon as possible, but:

- (1) No later than 14 days after the balance occurred if the credit balance occurred after the first day of class of a payment period; or
- (2) No later than 14 days after the first day of class of a payment period if the credit balance occurred on or before the first day of class of that payment period.

34 C.F.R. § 668.164(e).

Noncompliance: Heald failed to timely pay credit balances owed to students as follows:

Student #11 signed a rescission on July 26, 2010 that rescinded her prior authorization for Heald to hold any credit balances, and directing that any credit balance be paid to her within 14 days. At that time, the student's account had a Title IV credit balance of \$11.71, which was required to be paid to her on August 9, 2010. Heald did not pay this credit balance until August 24, 2010, 19 days late.

Student #13 signed a credit balance authorization on July 27, 2011 directing Heald to return any credit balance directly to the student. On March 1, 2012, the student signed a second credit balance authorization directing that any credit balance be paid to the appropriate lender to reduce the student's debt, but if the student withdrew, the credit balance was to be paid directly to the student. Credit balances arose on the account of Student #13 due to disbursements of Title IV funds as follows:

Date Arose	Amount	Not resolved until	Days Late
9/23/2011	865.98	10/22/11	15
10/30/11	720.86	12/6/11	23
5/3/12	167.94	6/18/12	32

Required Action: Heald is now closed, and as a result, no further action is required for this finding.

Finding 6. Drug and Alcohol Abuse Prevention Program Requirements Not Met

Citation: The Drug-Free Schools and Communities Act (DFSCA) and Part 86 of the Department's General Administrative Regulations require each institution of higher education (IHE) that receives Federal education funding to certify that it has developed and implemented a drug and alcohol abuse prevention program (DAAPP). The program must be designed to prevent the unlawful possession, use and distribution of illicit drugs and alcohol abuse on campus and at recognized events and activities.

On an annual basis, each IHE must provide the following information in writing to all current students (enrolled for any type of academic credit except continuing education units) and all current employees:

A written statement about its standards of conduct that clearly prohibits the unlawful possession, use, or distribution of illicit drugs and alcohol by students and employees on its property or as part of any of its activities;

A written description of the applicable legal sanctions under local, state, or federal law for the unlawful possession or distribution of illicit drugs and alcohol;

A description of the health risks associated with the use of illicit drugs and the abuse of alcohol;

A description of any drug or alcohol counseling, treatment, or rehabilitation or re-entry programs that are available to employees or students; and,

A clear statement that the IHE will impose disciplinary sanctions on students and employees (consistent with Federal, state, and local laws and ordinances) and a description of those sanctions, up to and including expulsion or termination of employment and referral for prosecution, for violations of the standards of conduct. For the purpose of this section, please note that a disciplinary sanction may include the required completion of an appropriate treatment program.

Moreover, the regulations require each IHE to conduct Biennial Reviews to determine the effectiveness of its DAAPP and to ensure consistent enforcement of applicable drug and alcohol-related statutes, ordinances, and institutional policies against students and employees found to be in violation. Biennial Review reports and supporting documents must be maintained by the IHE and made available to the Department upon request. 34 C.F.R. §§ 86.3, 86.100, and 86.103.

Noncompliance: Heald provided no evidence indicating that the DAAPP was actually provided to students. The Biennial Reports stated: “students are made aware of the policy annually through Student Services and the Corinthian College Catalog which is online and hardcopy.” The Biennial Report indicated that employees were provided the DAAPP during employee orientation, and annually via email.

Heald’s Biennial Reports failed to address whether it considered, took action or planned any actions to ensure consistent enforcement of applicable drug and alcohol-related statutes, ordinances, and institutional policies against students and employees found to be in violation.

Failure to comply with the DFSCA’s DAAPP requirements deprives students, faculty and staff of important information regarding the educational, disciplinary, health, and legal consequences of illegal drug use and alcohol abuse. Failure to comply with the biennial review requirements also deprives the institution of important information about the effectiveness of its own drug and alcohol programs. Such failures may contribute to increased drug and alcohol abuse on-campus as well as an increase in drug and alcohol-related violent crime.

Required Action: As a result of these violations Heald would normally be required to develop and implement a complete DAAPP to comply with the requirements of 34 C.F.R. Part 86. However, as noted above, Heald has now closed. Therefore, it is no longer eligible to participate in the Title IV, HEA programs. For this reason, the Department will not require any remedial action at this time and considers this finding to be closed for

program review purposes. Notwithstanding this action, Heald officials are advised that the exceptions noted in this finding constituted serious violations of the DFSCA that by their nature cannot be cured.

Finding 7. Crime Awareness Requirements Not Met - Omission/Inadequacy of Required Statistical Disclosures and Policy Statements

Citation: The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) and the Department's regulations require that all institutions that receive Title IV, HEA funds must, by October 1 of each year, publish and distribute to its current students and employees, a comprehensive Annual Security Report (ASR) that contains, at a minimum, all of the statistical and policy elements described in 34 C.F.R. § 668.46(b).

The ASR must be prepared and actively distributed as a single document. Acceptable means of delivery include regular U.S. Mail, hand delivery, or campus mail distribution to the individual or posting on the institution's website. If an institution chooses to distribute its report by posting to an internet or intranet site, the institution must, by October 1 of each year, distribute a notice to all students and employees that includes a statement of the report's availability and its exact electronic address, a description of its contents, as well as an advisement that a paper copy will be provided upon request. 34 C.F.R. § 668.41(e)(1). The Department's regulations also require participating institutions to provide a notice to all prospective students and employees that includes a statement about the ASR's availability, its contents, and its exact electronic address if posted to a website. This notice must also advise interested parties of their right to request a paper copy of the ASR and to have it furnished upon request. 34 C.F.R. § 668.41(e)(4).

The ASR must include statistics for incidents of crimes reported during the three most recent calendar years. The covered categories include criminal homicide (murder and non-negligent manslaughter), forcible and non-forcible sex offenses, robbery, aggravated assaults, burglary, motor vehicle theft, and arson. Statistics for certain hate crimes as well as arrest and disciplinary referral statistics for violations of certain laws pertaining to illegal drugs, illegal usage of controlled substances, liquor, and weapons also must be disclosed in the ASR. These crime statistics must be published for the following geographical categories: 1) on campus; 2) on-campus student residential facilities; 3) certain non-campus buildings and property; and, 4) certain adjacent and accessible public property. 34 C.F.R. § 668.46(c)(1).

Additionally, the ASR must include several policy statements. These disclosures are intended to inform the campus community about the institution's security policies, procedures, and the availability of programs and resources as well as channels for victims of crime to seek recourse. In general, these policies include topics such as the law enforcement authority and practices of campus police and security forces, incident

reporting procedures for students and employees, and policies that govern the preparation of the report itself. Institutions are also required to disclose alcohol and drug policies and educational programs. Policies pertaining to sexual assault education, prevention, and adjudication must also be disclosed. Institutions also must provide detailed policies of the issuance of timely warnings, emergency notifications, and evacuation procedures. All required statistics and policies must be included in a single comprehensive document, known as an ASR. With the exception of certain drug and alcohol program information, cross referencing to other publications is not sufficient to meet the publication and distribution requirements of the Act. § 485(f) of the HEA; 34 C.F.R. § 668.46(b).

Finally, each institution must also submit its crime statistics to the Department for inclusion in the Office of Postsecondary Education's (OPE) "Campus Safety and Security Data Analysis Cutting Tool." 34 C.F.R. § 668.41(e)(5).

Noncompliance: Heald failed to publish and distribute a complete ASR. Specifically, Heald's ASR failed to include the following required statistical disclosures and policy statements:

- a. Statistics for the three most recent calendar years concerning the occurrence on public property of the required crimes reported to local police agencies or to a campus security authority.
- b. Statistics for hate crimes involving the crimes of larceny-theft, simple assault, intimidation, and destruction/damage/vandalism of property; and any crime involving bodily injury.
- c. The following required statements:
 - (1) A statement of current policies concerning campus law enforcement that describes procedures, if any, that encourage pastoral counselors and professional counselors, if and when they deem it appropriate, to inform the persons they are counseling of any procedures to report crimes on a voluntary, confidential basis for inclusion in the annual disclosure of crime statistics;
 - (2) A statement that addresses the enforcement authority of security personnel, including their relationship with state and local police agencies, including whether the institution has agreements with such agencies, such as written memoranda of understanding (MOU), for the investigation of alleged criminal offenses; and whether security personnel have the authority to arrest individuals;
 - (3) A description of the type and frequency of programs designed to inform students and employees about campus security procedures and practices and to encourage students and employees to be responsible for their own security and the security of others;
 - (4) A description of programs designed to inform students and employees about the prevention of crimes;

- (5) A description of educational programs to promote the awareness of rape, acquaintance rape, and other forcible and non-forcible sex offenses;
 - (6) Notification to students of existing on- and off-campus counseling, mental health, or other student services for victims of sex offenses.
- d. With regard to its Emergency Response and Evacuation Procedures (EREP), the process the institution will use to –
- (1) Confirm that there is a significant emergency or dangerous situation requiring an emergency response and evacuation;
 - (2) Determine the appropriate segment or segments of the campus community to receive a notification;
 - (3) Determine the content of the notification; and
 - (4) Initiate the notification system.
- e. With regard to its EREP, a statement that the institution will, without delay, and taking into account the safety of the community, determine the content of the notification and initiate the notification system, unless issuing a notification will, in the professional judgment of the responsible authorities, compromise efforts to assist a victim or to contain, respond to, or otherwise mitigate the emergency.

Failure to prepare an accurate and complete ASR and to actively distribute it to current students and employees in accordance with federal regulations deprives the campus community of important campus crime information.

Required Action: As a result of these violations Heald would normally be required to develop and implement a comprehensive campus safety and crime prevention program. As part of that plan, Heald would have had to produce and distribute an accurate and complete ASrR that included all of the statistical and policy disclosures required by 34 C.F.R. § 668.46(b). This report would have also had to be distributed to all enrolled students and current employees.

However, as noted above, Heald has now closed. Therefore, it is no longer eligible to participate in the Title IV, HEA programs. For this reason, the Department will not require any remedial action at this time and considers this finding to be closed for program review purposes. Notwithstanding this action, Heald officials are advised that the exceptions noted in this finding constituted serious violations of the Clery Act that by their nature cannot be cured.

Finding 8. Consumer Information Requirements Not Met

Citation: In order to assure prospective students can accurately compare institutions when planning their educational choices, institutions are required to provide prospective students and enrolled students the cost of attending the institution.

Institutional information that the institution must make readily available to enrolled and prospective students includes, but is not limited to, the cost of attending the institution, including—

- Tuition and fees charged to full-time and part-time students;
- Estimates of costs for necessary books and supplies;
- Estimates of typical charges for room and board;
- Estimates of transportation costs for students; and
- Any additional cost of a program in which a student is enrolled or expresses a specific interest.

34 C.F.R. § 668.43(a)(1).

Noncompliance: Heald calculated a Cost of Attendance (COA) that includes the cost elements required by regulation, and used that COA, calculated by computer software, to determine Title IV awards. However, the enrolled and prospective students were only informed of the direct costs – tuition, fees, books, and program costs charged by Heald. Those direct costs were published in the institution’s catalogs, on the award letters, and on enrollment contracts. The student files and publications of Heald did not disclose typical charges for room and board, nor did they disclose the estimates of transportation costs for students. While the “Official Award Letters” stated that “Your financial aid award package is based upon available funds and your determined financial need,” Heald did not provide documentation to students that in fact disclosed how that need was determined. The following are examples of this practice:

Student #1’s file indicated that Heald’s internal calculation produced a COA of \$16,230 for the two quarters she needed to complete her degree. This amount, which included typical room, board and transportation, was not disclosed to the student. The student’s award letter and enrollment contract disclosed only that the student’s Cost of Education was \$6,682 for her two quarters of enrollment.

Student #11’s file indicated that Heald’s internal calculation produced a COA of \$17,285 for the two quarters she needed to complete her degree. This amount, which included typical room, board and transportation, was not disclosed to the student. The student’s award letter and enrollment contract disclosed only that the student’s Cost of Education was \$8,508 for her two quarters of enrollment.

Student #13’s file indicated that Heald’s internal calculation produced a COA of \$27,684 for the first academic year. This amount, including disclosure of typical room, board and transportation, was not disclosed to the student. The student’s award letter and enrollment contract disclosed only that the student’s Cost of Education was \$14,167 for the first academic year.

Required Action: Heald is now closed. No further action is required.

Finding 9. No Documentation of Exit Counseling Provided to Students

Citation: An institution must ensure that exit counseling is conducted with each Direct Loan borrower shortly before the student borrower ceases at least half-time study. If a student borrower withdraws from school without the school's prior knowledge or fails to complete the exit counseling as required, exit counseling must, within 30 days after the school learns that the student borrower has withdrawn from school or failed to complete the exit counseling as required, be provided either through interactive electronic means, by mailing written counseling materials to the student borrower at the student borrower's last known address, or by sending written counseling materials to an email address provided by the student borrower that is not an email address associated with the school sending the counseling materials. 34 C.F.R. § 685.304(b).

The exit counseling must, according to 34 C.F.R. 685.304(b):

- (i) Inform the student borrower of the average anticipated monthly repayment amount based on the student borrower's indebtedness or on the average indebtedness of student borrowers who have obtained Direct Subsidized Loans and Direct Unsubsidized Loans, student borrowers who have obtained only Direct PLUS Loans, or student borrowers who have obtained Direct Subsidized, Direct Unsubsidized, and Direct PLUS Loans, depending on the types of loans the student borrower has obtained, for attendance at the same school or in the same program of study at the same school;
- (ii) Review for the student borrower available repayment plan options including the standard repayment, extended repayment, graduated repayment, income contingent repayment plans, and income-based repayment plans, including a description of the different features of each plan and sample information showing the average anticipated monthly payments, and the difference in interest paid and total payments under each plan;
- (iii) Explain to the borrower the options to prepay each loan, to pay each loan on a shorter schedule, and to change repayment plans;
- (iv) Provide information on the effects of loan consolidation including, at a minimum—
 - (A) The effects of consolidation on total interest to be paid, fees to be paid, and length of repayment;
 - (B) The effects of consolidation on a borrower's underlying loan benefits, including grace periods, loan forgiveness, cancellation, and deferment opportunities;

- (C) The options of the borrower to prepay the loan and to change repayment plans; and
- (D) That borrower benefit programs may vary among different lenders;
- (v) Include debt-management strategies that are designed to facilitate repayment;
- (vi) Explain to the student borrower how to contact the party servicing the student borrower's Direct Loans;
- (vii) Meet the requirements described in 34 C.F.R. §§ 684.305(a)(6)(i), (a)(6)(ii), and (a)(6)(iv);
- (viii) Describe the likely consequences of default, including adverse credit reports, delinquent debt collection procedures under federal law, and litigation;
- (ix) Provide—
 - (A) A general description of the terms and conditions under which a borrower may obtain full or partial forgiveness or discharge of principal and interest, defer repayment of principal or interest, or be granted forbearance on a Title IV loan; and
 - (B) A copy, either in print or by electronic means, of the information the Secretary makes available pursuant to section 485(d) of the HEA;
- (x) Review, for the student borrower, information on the availability of the Department's Student Loan Ombudsman's office;
- (xi) Inform the student borrower of the availability of Title IV loan information in the National Student Loan Data System (NSLDS) and how NSLDS can be used to obtain Title IV loan status information;
- (xii) Explain to first-time borrowers, as defined in 34 C.F.R. § 685.200(f)(1)(i)—
 - (A) How the borrower's maximum eligibility period, remaining eligibility period, and subsidized usage period are determined under 34 C.F.R. § 685.200(f);
 - (B) The sum of the borrower's subsidized usage periods, as determined under 34 C.F.R. § 685.200(f)(1)(iii), at the time of the exit counseling;
 - (C) The consequences of continued borrowing or enrollment, including--

(1) The possible loss of eligibility for additional Direct Subsidized Loans; and

(2) The possibility that the borrower could become responsible for accruing interest on previously received Direct Subsidized Loans and the portion of a Direct Consolidation Loan that repaid a Direct Subsidized Loan during in-school status, the grace period, authorized periods of deferment, and certain periods under the Income-Based Repayment and Pay As You Earn Repayment plans;

(D) The impact of the borrower becoming responsible for accruing interest on total student debt;

(E) That the Secretary will inform the student borrower of whether he or she is responsible for accruing interest on his or her Direct Subsidized Loans; and

(F) That the borrower can access NSLDS to determine whether he or she is responsible for accruing interest on any Direct Subsidized Loans as provided in 34 C.F.R. § 685.200(f)(3);

(xiii) Provide a general description of the types of tax benefits that may be available to borrowers; and

(xiv) Require the student borrower to provide current information concerning name, address, social security number, references, and driver's license number and state of issuance, as well as the student borrower's expected permanent address, the address of the student borrower's next of kin, and the name and address of the student borrower's expected employer (if known).

The school must ensure that the current information concerning the student's name, references, and contact information, as set forth above, is provided to the Secretary within 60 days after the student borrower provides the information.

If exit counseling is conducted through interactive electronic means, a school must take reasonable steps to ensure that each student borrower receives the counseling materials, and participates in and completes the exit counseling.

The school must maintain documentation substantiating the school's compliance with the Direct Loan exit counseling requirements for each student borrower.

Noncompliance: None of the student files contained documentation of the exit counseling that was provided to students. See, for instance, the files of Student #1, who withdrew and whose file contained no documentation indicating that the student was counseled with regard to her Direct Loan.

Required Action: Because Heald is now closed, no further action is required for this finding.

D. Appendix

Appendix A (Student Sample) contains personally identifiable information and will be emailed to Heald College officials as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip file will be sent in a separate email.

Heald College – Salinas
OPE ID: 00723409
PRCN: 201330928310

APPENDIX C1
Student-Level Detail for Finding #1

Appendix C1 (Student-Level Detail for Finding #1) contains personally identifiable information. Please contact Jessica Finkel at (415) 486-5405 to provide a current e-mail address and the Department will e-mail the file to Heald as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The Department will send the password needed to open the encrypted WinZip file in a separate e-mail.

Heald College – Salinas
OPE ID: 00723409
PRCN: 201330928310

APPENDIX C2
Cost of Funds Calculation for Finding #1

Heald College – Salinas
 OPE ID: 00723409
 PRCN: 201330928310
 Appendix C2: Cost of Funds Calculation for Finding #1

Ineligible Disbursements (Loans) - Cost of Funds

Name of Institution: Heald College – Salinas

*Note: Only for FFEL loans not
 subject to Estimated Actual Loss*

No.	Description/Name	Ineligible Disbrsmnt	Program	Disbursement Date	Loan Paid Date	No. of Days	Imputed CVFR	FFEL Interest	Special Allow	To ED
1	Ineligible 2011-12	\$6,377,466.00	DL Sub	06/30/12	12/28/15	1276	1.00%			\$222,972.00
1	Ineligible 2011-12	\$6,683,439.00	DL Unsub	06/30/12	12/28/15	1276	1.00%			\$233,669.00
1	Ineligible 2011-12	\$890,656.00	DL PLUS	06/30/12	12/28/15	1276	1.00%			\$31,139.00
1	Ineligible 2012-13	\$4,895,513.00	DL Sub	06/30/13	12/28/15	911	1.00%			\$122,199.00
1	Ineligible 2012-13	\$5,083,918.00	DL Unsub	06/30/13	12/28/15	911	1.00%			\$126,902.00
1	Ineligible 2012-13	\$463,093.00	DL PLUS	06/30/13	12/28/15	911	1.00%			\$11,559.00
1	Duplicated Ineligible 2011-12	\$113,630.00	DL Sub	06/30/12	12/28/15	1276	1.00%			\$3,973.00
1	Duplicated Ineligible 2011-12	\$137,112.00	DL Unsub	06/30/12	12/28/15	1276	1.00%			\$4,794.00
1	Duplicated Ineligible 2011-12	\$10,321.00	DL PLUS	06/30/12	12/28/15	1276	1.00%			\$361.00
1	Duplicated Ineligible 2012-13	\$248,329.00	DL Sub	06/30/13	12/28/15	911	1.00%			\$6,199.00
1	Duplicated Ineligible 2012-13	\$305,726.00	DL Unsub	06/30/13	12/28/15	911	1.00%			\$7,631.00
1	Duplicated Ineligible 2012-13	\$8,132.00	DL PLUS	06/30/13	12/28/15	911	1.00%			\$203.00

Total Principal \$ 25,217,335.00

Total

\$ 771,601.00

Total DL Sub	\$ 11,634,938.00
Total DL Unsub	\$ 12,210,195.00
Total FFEL Sub	\$ -
Total FFEL Unsub	\$ -
Total DL PLUS	\$ 1,372,202.00
Total FFEL PLUS	\$ -

Note: The amounts in Rows 16, 17, 18, 20, 21, and 22 are duplicated by the closed school loan discharges in Appendix D of this report. The Department has removed the duplicated principal and associated interest in the "Established Liabilities" Table in Section E of the FPRD.

Heald College - Salinas

OPE ID 00723409

Appendix [C2] - Ineligible Disbursements (Non-Loan) - Cost of Funds and ACA

Ineligible Disbursements (Non-Loan) - Cost of Funds and Administrative Cost Allowance

Name of Institution: Heald - Salinas

No.	Description/Name	Ineligible Disbrsmnt	Program	Disbursement Date	Return Paid Date	No. of Days	Imputed CVFR	Federal Share	To ED	To Inst Accounts
1	Ineligible 2011-12	\$6,404,762.00	Pell Grant	6/30/2012	12/28/2015	1276	1.00%	\$ 6,404,762.00	\$ 223,925.85	\$ -
1	Ineligible 2012-13	\$5,463,720.00	Pell Grant	6/30/2013	12/28/2015	911	1.00%	\$ 5,463,720.00	\$ 136,382.10	\$ -

Total Ineligible **\$11,868,482.00**

Totals
ACA Liability **\$ 360,307.95 \$ -**

Campus-Based Amounts Spent (from FISAP, Part VI, Section B)

Federal FWS
Federal SEOG
Federal Perkins

Total C-B Spent **\$ -**
ACA Percentage

	Total	Federal Share
Pell	\$ 11,868,482.00	\$ 11,868,482.00
ACG	\$ -	\$ -
SMART	\$ -	\$ -
TEACH	\$ -	\$ -
FWS	\$ -	\$ -
FSEOG	\$ -	\$ -
Perkins	\$ -	\$ -
FWS-50% Match	\$ -	\$ -
FWS-No Match	\$ -	\$ -
FSEOG-No Match	\$ -	\$ -
Perkins-No Match	\$ -	\$ -

Total Campus-Based **\$ - \$ -**

Interest Breakdown

Pell Grants	\$ 360,307.95	\$ -
ACG	\$ -	\$ -
SMART	\$ -	\$ -
TEACH	\$ -	\$ -
FWS	\$ -	\$ -
FSEOG	\$ -	\$ -
Perkins	\$ -	\$ -
FWS-50% Match	\$ -	\$ -
FWS-No Match	\$ -	\$ -
FSEOG-No Match	\$ -	\$ -
Perkins-No Match	\$ -	\$ -

ACA Breakdown

FWS	
FSEOG	
Perkins	
FWS-50% Match	
FWS-No Match	
FSEOG-No Match	
Perkins-No Match	

Heald College – Salinas
OPE ID: 00723409
PRCN: 201330928310

APPENDIX D
Loan Discharges

Appendix D (Loan Discharges) contains personally identifiable information. Please contact Jessica Finkel at (415) 486-5405 to provide a current e-mail address and the Department will e-mail the file to Heald as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The Department will send the password needed to open the encrypted WinZip file in a separate e-mail.